OPPORTUNITY COST AT THE MINE GATE

> *One idea must land: opportunity cost is the value of the NEXT-BEST alternative — singular — and it exists because resources are limited while wants are not.*

WE ARE LEARNING

Why opportunity cost exists when limited resources meet unlimited needs and wants — by sitting in the General Manager's chair and making the allocation ourselves.

CURRICULUM · VERBATIM

"Why opportunity cost exists when decisions are made to allocate limited resources to meet unlimited needs and wants" — Revised WA Curriculum, Y7 Economics and Business (SCSA, implementation 2026).

SPARK THE SATURDAY TRAP

- **Do:** harvest a few Lesson 2 exit seeds aloud first — "you already made this decision last lesson; today it gets a name."
- **Run the trap:** Saturday — sleep in, footy, or a $60 shift; they chose footy. What did it cost? Lock answers, then reveal: most say "nothing" or add everything up. The truth: **the single next-best alternative** — the $60 shift if that's what they'd otherwise have picked. Not the shift AND the sleep-in.
- **Say it once, cleanly:** "Opportunity cost is what the best road you didn't take was worth."

CORE READ LIKE AN ANALYST

- **Do:** the Jindarra briefing (handout p2) with the three-mark protocol: BOX the limited resource, UNDERLINE the competing options, CIRCLE the sentence proving choice is unavoidable ("The budget cannot fund everything").
- **Check marks fast:** the box goes on $3,550,000; three underlines; one circle. Students who box a folder instead of the budget haven't found the scarcity yet — ask "which number makes all the others fight?"

WORKSHOP THE DECISION MATRIX + THE DISCUSSION

- **Maths first (the matrix):** A+C = $2,675,000 fits · **B+C = $3,550,000 — the budget EXACTLY** · A+B = $4,265,000 impossible. The engineered elegance does the teaching: even the perfect-fit path buries option A.
- **Then the discussion (pair → square → room):** "Is exploration a luxury or a survival move?" Let pairs argue 90 seconds, merge into fours, harvest. The Unit 1 truth resurfaces on its own: the ore is non-renewable — a mine that never explores is a mine with an end date.
- **Each GM decides:** allocation chosen, next-best named precisely, fork sketched with the abandoned arm labelled.

LAND IT EXIT TICKET

- Definition with "next-best" mandatory; the descriptor answered in their own words (limited resources, unlimited wants); and the Lesson 4 seed — follow the wages into town and ask if the money ever comes back. That loop they can't quite close IS the circular flow; next lesson closes it.

THE MATHS KEY

COMBINATION	TOTAL	VERDICT
A · Equipment	$1,695,000	Fits — leaves $1,855,000 unallocated (ask: is idle money free? What's ITS opportunity cost?)
B · Workforce	$2,570,000	Fits — leaves $980,000… exactly exploration's ask. Watch someone notice.
C · Exploration	$980,000	Fits easily — but alone, output stays flat this year
A + C	$2,675,000	Fits, $875,000 spare
B + C	**$3,550,000**	**The budget to the dollar** — and option A stays buried
A + B	$4,265,000	Impossible — the budget line is the law

Scenario data for classroom use, engineered so B+C lands exactly. Whatever a GM chooses, something of value is foregone — that inescapability is the descriptor, lived.

PROBING QUESTIONS

- "Which number makes all the other numbers fight?" (The budget — scarcity's home address.)
- "You chose B+C and it fits perfectly — so was your decision free?" (No: option A is the opportunity cost.)
- "If the budget doubled, would opportunity cost disappear?" (No — the wants queue past the window; wants outrun resources at every size.)
- "What's the opportunity cost of your phone time last night?" (Bring it home — the concept follows them out the door.)

DIFFERENTIATION

Support: matrix totals pre-filled — that student judges fits and names the foregone option only; the highlighting protocol needs no scaffold. **Extend:** the fourth folder — return $1,000,000 to the owners as profit. Does a new option change what your next-best is? (It can — opportunity cost moves when the menu does.)

RUNNING SHORT — THE CUT LINE

Shrink the discussion to pairs-only and skip the fork sketch. Protect the Saturday trap, the highlighting, one completed matrix, and the exit ticket's Lesson 4 seed.

MISCONCEPTIONS TO WATCH

"Opportunity cost = everything given up, added together" (next-best only — the Saturday trap exists to kill this) · "free things cost nothing" (time is a resource too) · "the cost is the money spent" (the cost is what else that money could have done).